

For publication

Innovation Centres Apprentice Posts (EC000)

Meeting: Employment and General Committee

Date: *4th December 2017*

Cabinet portfolio: Cabinet Member for Economic Growth

Report by: *Development and Growth Manager*

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1.0 Purpose of report

- 1.1 To formalise apprenticeship posts at Tapton and Dunston Innovation Centres to reflect the requirements of the new Apprentice Policy.
- 1.2 To establish the revised costs of the post within the Innovation Centres budget.
- 1.3 To note that staffing requirements for the Innovation Centres will be reviewed further in light of the development of the new Enterprise Centre at Holywell Cross.

2.0 Recommendations

- 2.1 That the revised Innovation Centres staffing costs be noted and factored into revenue budgets.

3.0 Background

- 3.1 Tapton and Dunston Innovation Centre have for many years hosted Trainee Clerical Assistant posts. These posts have been offered on one year contracts and have enabled trainees to develop skills and gain experience in an office environment whilst

studying for an NVQ in Business Administration or Customer Services. Trainees have been provided through a training provider, most recently Chesterfield College without the need to go out to open recruitment.

- 3.2 In the majority of cases the trainees have left before the end of their contract as they have been offered opportunities with businesses within the Innovation Centres or elsewhere which is testament to the quality of the learning experience provided within the Innovation Centres. This has also meant that more trainees have been able to take up the opportunities.
- 3.3 The cost of the trainee posts per year has been £6,734 which is the National Apprenticeship wage of £3.50 per hour. However, the introduction of changes to the rules and guidance around recruiting apprentices and the subsequent adoption of a new Apprentice Policy by the Council meant that costs for any new recruitment would be higher than this. Previously the cost was a set rate irrespective of the age of the trainee, however, the new policy sets the following wage for age rates:

Year	Rate	Cost per hour	Annual cost
Year 1	National minimum wage for age		
	<18	£4.05	£7,792
	18 – 20	£5.60	£10,774
	21 – 24	£7.05	£13,564
	>25	£7.50	£14,430
Year2	Rate for role if over scp12 or living wage if <scp12	Rate for role or current Living Wage rate in payment	

- 3.4 The trainee vacancies at both Innovation Centres became vacant in the summer of 2017. The staffing levels at the Innovation Centres are very lean, consisting of a full time Centre Manager responsible for both centres but based mainly at Dunston, one full time Admin Officer based at Tapton and 2 part time Clerical Assistants at both centres, this equates to only 2 staff and one trainee being present at each centre at any one time.

3.5 Businesses located within the Innovation Centres pay a premium rent for which they receive additional services from the admin team. This includes a call answering service, whereby if the no one in the business is available to take a call, the reception staff will answer as the business, take messages and forward details on to the business. They also provide a postal service, dealing with all ingoing and outgoing post including taking parcel deliveries. The reception staff will also greet and direct visitors to the businesses as well as conference delegates.

3.6 **Development of new Enterprise Centre**

In addition to the two existing Innovation Centres, the Council is soon to commence development of an Enterprise Centre on part of the Holywell Cross car park as part of the Northern Gateway scheme. Proposals for staffing the new centre are being developed and will be the subject of a separate paper, however, it is worth noting that this paper will consider future staffing arrangements across all three centres. A new centre may provide development opportunities for the apprentices and existing staff.

3.7 **Human resource implications**

The loss of two full time trainee posts has led to difficulties in covering the reception and conference duties at the centres, particularly during holidays and if a member of the team is sick. It is necessary for more than one member of staff to be present at each centre to ensure that reception, telephones and conferences can be adequately covered. Furthermore, to regularly have a lone worker in the office could lead to safety issues, particularly as the buildings are open to the public.

3.8 Financial implications (capital and/or revenue)The purpose of the report is to formalise the Apprentice posts within the Innovation Centres budget. The cost of the posts will increase by between £1,058 and £7,696 per centre depending on the age of the successful candidates. A budget of £15,392 is requested to replace the existing budget for Trainees at the centres, this reflects the highest possible cost of an apprentice at each centre based on successful candidates over the age of 25. If we retain the apprentices for a maximum of 3 years there will be further additional cost implications in years 2 and 3 depending on the age of the apprentices. As previously stated, a further report on staffing to include the new Enterprise Centre at Hollywell cross will be presented to Members at which time we will have a clearer

idea of future cost implications of the whole team and can factor this into the overall budgets for the three centres.

- 3.9 If the costs are lower than those quoted above due to younger age candidates being recruited the resultant saving will be reported as part of the budget monitoring process.
- 3.10 As mentioned previously, tenants pay a premium for the services at the centres and there is a significant risk that tenants will leave if service quality is not maintained. The Council receives approximately £50,000 per year net revenue from lettings from each centre and a further £62,000 of conference income (based on 2016/17 budget). As outlined previously, the conference income is the first revenue line to be hit when there are staff shortages as it is not possible to facilitate conferences with only one member of staff available as reception and phones have to be covered during office hours.
- 3.11 Original and revised budgets for both Centres can be found at appendix 1. The budgets show the income levels achieved so far this year with forecast to the end of the year and for future years. Conference income is already approximately £7,000 up on budget based on quarter one figures, this has been achieved because we have paid overtime to part time staff and/or have been able to draft in staff from the Economic Development Team on a temporary basis to support the Centres. This is not sustainable in the longer term but with the right staffing levels there is no reason this performance cannot continue throughout the year which would mean that the additional salary cost can be covered within the overall budget.

4.0 **Risk management** **Implications for other services**

Due to the staffing issues at the Innovation Centres, the Economic Development Team has regularly been required to cover reception duties whilst other staff members are on leave. Whilst the Economic Development Team is able to work in an agile way, it has taken some members of the team away from their regular duties and left others within the team to pick up the work. The Economic Development team is a small team delivering a number of key Council priorities and so a reduction in numbers is keenly felt.

The table below can be used to summarise the potential risks of the options proposed. If it will not fit within the document, consider transferring this into an appendix.

Description of the Risk	Impact	Likelihood	Mitigating Action	Impact	Likelihood
Loss of tenants leading to reduced revenue and reputational damage	high	medium	Recruit apprentices to ensure full complement of staff. In meantime economic development team have provided cover.	medium	low
Loss of conference revenue	medium	medium	As above	low	low
Loss of key staff due to increased work pressure	high	medium	As above	medium	low

5.0 **Alternative options and reasons for rejection**

Option 1- Do not recruit to the vacant positions.

Whilst this will provide an initial revenue saving to the Council in the long term there is likely to be a reduction in rental income and conferencing (as identified in the risks above). Also, some of the saving would be swallowed up by an increase in overtime payments to existing staff as part-time members of the team are required to work additional hours to keep services operating.

Option 2 - One apprentice to work at both centres as and when needed - Often the trainees are young people and do not drive which would make this difficult.

This would still leave one centre understaffed in times of annual leave or other absence which would result in the use of agency staff to cover but this is a costly option and training would be required each time a new agency worker was employed

Option 3 - Recruit a permanent Clerical Officer to support the team. This will be a more expensive option but one that gives

longer term stability to the team. The apprentice posts are initially recruited for a one year period with extension possible subject to performance. From experience of the previous trainee posts, the apprentice positions are likely to be fairly transient with staff taking advantage of opportunities for permanent positions within tenant businesses or elsewhere. This can lead to periods of under staffing at the centres which places more pressure on those that remain, meaning sometimes leave has to be postponed or part time staff are paid over time to work longer hours. However, the posts have always been intended as a supportive learning environment where individuals can develop their skills and move on to other higher paid employment.

5.1 The development of the new Enterprise Centre will provide an opportunity to review staff across all three centres and a further report will be presented for consideration in advance of the new centre completion.

6.0 Recommendations

6.1 That the revised Innovation Centres staffing costs be noted and factored into revenue budgets.

7.0 Reasons for recommendations

7.1 To ensure that the Councils two Innovation Centres are adequately staffed to ensure tenants continue to receive a good quality service. This will help to ensure occupancy and revenue income remain stable.

Decision information

Key decision number	770
Wards affected	
Links to Council Plan priorities	

Document information

Report author	Contact number/email
Background documents These are unpublished works which have been relied on to a material extent when the report was prepared.	
<i>This must be made available to the public for up to 4 years.</i>	
Appendices to the report	
Appendix A	Title
Appendix B	Title
Etc.	